

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

In re:

NORTHWESTERN CORPORATION,

Debtor.

MAGTEN ASSET MANAGEMENT CORP.

Appellant,

V.

PAUL HASTINGS JANOFSKY &
WALKER LLP,

Appellee.

Chapter 11

Case No. 03-12872 (CGC)

Civil Action No. 04-1279 JJF

**APPELLANT’S DESIGNATION OF THE RECORD AND
STATEMENT OF THE ISSUES ON APPEAL TO THE UNITED STATES COURT OF
APPEALS FOR THE THIRD CIRCUIT**

Magten Asset Management Corporation, the Appellant in an appeal to the United States Court of Appeals for the Third Circuit filed on August 14, 2006 files, pursuant to Fed. R. App. P. 6(b)(2)(B)(i), this designation of the items to be included in the record on the appeal of this Court's order dated July 17, 2006 (Docket No. 53), which order affirmed the Bankruptcy Court's memorandum decision dated July 23, 2004 and order dated August 19, 2004 (Docket Nos. 1751 and 1942, respectively), and the statement of the issues to be presented on appeal.

DESIGNATION OF THE RECORD

A. The entire record that was assembled by the Bankruptcy Court and forwarded to the District Court, in compliance with Bankruptcy Rule 8006, for use and reference in Civil

Action No. 04-1279 (JJF), including each and every docket entry and hearing transcript contained therein.

B. From the docket in the District Court:

Docket No.	Date	Item
1	9/17/04	Notice of Appeal
2	9/17/04	Designation, Statement of Issues and Designated Record filed by Magten (and documents identified therein)
3	9/17/04	Designation, Statement of Issues and Designated Record filed by Northwestern Corp (and documents identified therein)
5	9/23/04	Designated Record filed by Paul Hastings (and documents identified therein)
21	6/28/05	Appellant Brief filed by Magten
22	6/28/05	Appendix to Appellant Brief, Volume I, filed by Magten
23	6/28/05	Appendix to Appellant Brief, Volume II, filed by Magten
26	8/05/05	Appellee Brief filed by Paul Hastings
27	8/05/05	Compendium of Unreported Decisions filed by Paul Hastings
28	8/05/05	Appendix to Appellee Brief
29	8/15/05	Appellant's Reply Brief
52	7/17/06	Memorandum Opinion
53	7/17/06	Order
54	8/14/06	Notice of Appeal

STATEMENT OF THE ISSUES ON APPEAL

1. Whether the District Court erred in affirming the Bankruptcy Court's Memorandum Decision dated July 23, 2004 and Order dated August 19, 2004.

2. Whether the Bankruptcy Court abused its discretion by refusing to find that Paul Hastings had an actual conflict resulting from its dual representation of Northwestern and Clark Fork in connection with a fraudulent conveyance transaction which transferred the bulk of Clark Fork's assets to Northwestern, which actual conflict would have mandated disqualification.

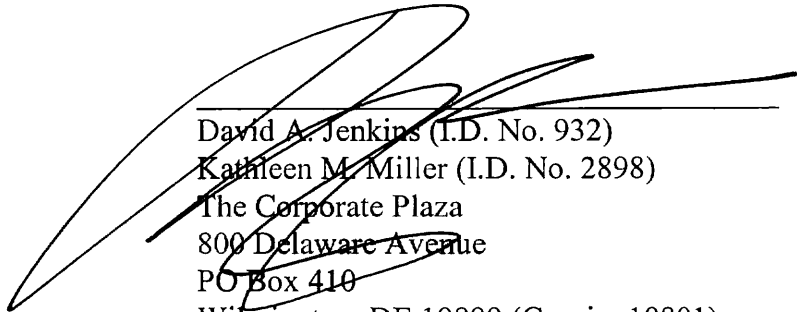
3. Whether the Bankruptcy Court abused its discretion by not disqualifying Paul Hastings where Paul Hastings held a material interest adverse to a class of creditors and thus was not a disinterested person as required.

4. Whether the Bankruptcy Court abused its discretion by not disqualifying Paul Hastings where Paul Hastings knowingly concealed its central role in the key transaction between Northwestern and Clark Fork, particularly where the information concealed had, at a minimum, a

bearing on attorney disqualification.

Dated: August 28, 2006

SMITH, KATZENSTEIN & FURLOW, LLP

A large, stylized handwritten signature in black ink, likely belonging to Kathleen M. Miller, is written over the printed name and address of SMITH, KATZENSTEIN & FURLOW, LLP.

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